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Our ref
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May 9, 2008

Re: Proposed UNC Modification 0201 - "Small Value Invoice Payment Deferral"

Dear Julian,

RWE Npower supports the above Proposed UNC Modification.

We receive a significant number of invoices over an annual period with a value of less than the proposed £25 threshold. In fact, some of these, as stated in the Proposed Mod, can actually be less than the cost of processing the invoice.

We therefore agree with the proposer that the current arrangements are rather inefficient in the case of invoices such as these and that the ability to batch them together with larger invoices would be of great benefit to Users and greatly increase efficiency. We also agree with the waiving of late payment fees for invoices of this type (subject to the backstop provisions laid out in the Proposed Mod) as these fees as they currently stand are a definite disincentive to batching smaller invoices and thus potentially delaying the process.

Although there are some minor developmental costs associated with the Proposed Mod's implementation, if this is approved by Ofgem, we feel certain that the efficiency benefits to the industry deriving from these will outweigh those costs.

If you wish to discuss any points raised in this response further, please do not hesitate to contact me.

Regards,

Chris Hill

Gas Codes Analyst

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